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for the Substantively Consolidated SIPA Liquidation  
of Bernard L. Madoff Investment Securities LLC  
and the Estate of Bernard L. Madoff*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA LIQUIDATION

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation  
of Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

DANIEL STONE AND SUSAN JANE STONE,

Defendants.

Adv. Pro. No.10-05084 (SMB)

**STIPULATION AND ORDER REGARDING DISMISSAL OF CERTAIN  
CLAIMS AND DEFENDANT, SUSAN STONE**

Irving H. Picard (the “Trustee”), as trustee for the liquidation of the business of Bernard L. Madoff Investment Securities LLC under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.*, and the substantively consolidated estate of Bernard L. Madoff individually, by and through his counsel, Baker & Hostetler LLP, and Defendants Daniel Stone and Susan Jane Stone, (individually and collectively, the “Defendants”), by and through their counsel, Frejka PLLC (collectively, the “Parties”), hereby stipulate and agree to the following:

1. On December 2, 2010, the Trustee commenced the above-captioned adversary proceeding (the “Adversary Proceeding”) by filing the Complaint against the Defendants.
2. On April 17, 2014, Defendants filed their Answer to the Complaint.
3. Numerous defendants in other related adversary proceedings, but not Defendants, filed motions to dismiss (the “Motions to Dismiss”) complaints or amended complaints filed against them by the Trustee.
4. On June 2, 2015, the Bankruptcy Court granted in part and denied in part the Motions to Dismiss for reasons set forth in its Memorandum Decision Regarding Omnibus Motions to Dismiss (the “Decision”) [ECF No. 10089 in Adv. Pro. No. 08-01789 (SMB)].
5. On June 22, 2015, the Supreme Court of the United States denied *certiorari* of the Trustee’s appeal of *SIPC v. Ida Fishman Revocable Trust*, 14-1128 and *Picard v. Ida Fishman Revocable Trust*, 14-1129 (the “Supreme Court Decision”), and thus section 546(e) of the Bankruptcy Code applies to this Adversary Proceeding.
6. Pursuant to Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure, as incorporated by Rule 7041 of the Federal Rules of Bankruptcy Procedure, the Trustee’s claims in Counts One through Four and Counts Six through Ten of the Complaint are hereby dismissed

with prejudice against Defendants in the Adversary Proceeding. This Stipulation has no effect on the Trustee's remaining Counts in the Complaint.

7. Based on the dismissal of the Trustee's claims in Counts One through Four and Counts Six through Ten of the Complaint, this Adversary Proceeding is hereby dismissed with prejudice as to Defendant, Susan Stone.

8. Upon the dismissal of the Trustee's claims in Counts One through Four and Counts Six through Ten of the Complaint and Defendant, Susan Stone, the caption of the Adversary Proceeding is hereby amended to delete Defendant, Susan Stone, from the caption. The amended caption of the Adversary Proceeding is indicated in Exhibit A to this Stipulation.

9. This Stipulation may be signed by the Parties in any number of counterparts, each of which when so signed shall be an original, but all of which shall together constitute one and the same instrument. A signed facsimile, photostatic or electronic copy of this Stipulation shall be deemed an original.

Dated: March 9, 2016

**BAKER & HOSTETLER LLP**

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*Attorneys for Defendants Daniel and Susan Jane  
Stone*

SO ORDERED

Dated: March 9<sup>th</sup>, 2016  
New York, New York

/s/ STUART M. BERNSTEIN  
HON. STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE